



**STATE INVESTMENT BOARD  
BOARD ADOPTED POLICIES**

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**POLICY NUMBER:** 2.00.700

**EFFECTIVE DATE:** 7/20/95

**TITLE:** Role of Consultants

**SUPERSEDES:** 2/16/95

**BOARD ADOPTION:** 7/20/95

**APPROVED:** *James F. Parker*

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**PURPOSE:**

This policy provides Board members and staff with guidelines regarding the role of consultants with respect to who the consultants report to, what they report to the Board and how they relate to staff and the entire Board structure.

**POLICY:**

The Board's role is to "Plan, Approve and Monitor/Oversee" and the role of staff is to "Research, Recommend and Implement."

Consultants are hired by, report to, and are accountable to, the Board. Consultants work with the staff in developing recommendations. A joint recommendation is permissible; however, consultants should feel free to provide the Board with independent recommendations. The goal is the delivery of the consultant's best and wisest independent advice and counsel. That independent capacity should not be compromised in any way by the identity, role or title of the individual seeking, on behalf of the Board, counsel, information or advice.

Following describes the interaction between consultants, board and staff:

1. Board member contacts are to be initiated with consultants for "assignments" only by the Board Chair or a Committee Chair. The Executive Director would be informed in advance.
2. Any Board member may contact a consultant with questions, comments or inquiries for readily available information as this is seen as helpful to their education. The Executive Director would be informed by the consultant if the request would fall outside the scope of service or impair the consultant's ability to operate effectively.

3. When staff give non-routine assignments to consultants, the Board is to be informed through a monthly update from the Executive Director.
4. An investment deal log shall be provided via the Executive Staff's Report. Individual Board members shall also receive a separate report on deals they refer to staff or consultants in a more timely fashion for follow-up purposes.
5. Potential consultants will from time-to-time initiate contacts with Board members. The Board member may wish to refer the consultant to staff, or deal directly with the inquiry. During procurement processes, however, potential consultants should only contact the designated RFP coordinator with respect to the procurement.

For purposes of this policy, consultants include general pension consultants, asset-specific consultants, the Attorney General's Office and any outside legal advisors. The topic of any assignment needs to be within the scope of services in the contract, otherwise the contract manager needs to be notified. For legal advisors, it should be remembered that assignments are made through the Attorney General's Office. Legal fees are usually time-based and discretion should be used.